

Where Are the Jobs? Record Unemployment Causes Record Unemployment Tax Hikes

January 26, 2010

Dear Republican Colleague:

The fact that [10% of workers in the U.S. are unemployed](#) is more than an abstraction. Millions of Americans -- mothers and fathers, older workers, new grads, and returning veterans, among others -- are without work, with a [record 12 million currently collecting unemployment insurance \(UI\) checks](#) instead of paychecks.

Somehow those millions of UI checks have to be paid for. While the Federal government is simply borrowing tens of billions of dollars from our children to pay its promised "extended benefits," most States have to raise payroll taxes on jobs to support their UI costs. How high are the tax hikes? **Over 1000% in Hawaii, and over 100% in seven other States (Alabama, Florida, Idaho, Kansas, Maryland, Nebraska, and South Dakota)**, as shown in the table below copied from a [January 19, 2010 USA Today](#) article. That article summarizes, regarding State unemployment payroll taxes, "In 2009, the average business owner paid \$95 per employee. This year, the tax will be \$171." **That's an average jump of 80% in one year.** And this is just the start, with literally years of further tax hikes ahead.

In the coming weeks, I will provide you additional information about how [the failure of Democrat stimulus policy to create jobs](#) is already forcing massive immediate and ongoing tax hikes. If you have any questions, please contact me or have your staff contact Matt Weidinger of the Ways and Means Republican staff at 225-4021 or matt.weidinger@mail.house.gov.

Sincerely,

John Linder (R-GA)
Ranking Republican
Ways and Means Subcommittee on Income Security and Family Support

UNEMPLOYMENT TAXES

Thirty-six states have increased the annual tax businesses pay to finance unemployment benefits.

State	Average tax per worker	Change
Ala.	\$267	124%
Alaska	\$447	19%
Ariz.	No change	
Ark.	\$300	16%
Calif.	No change	
Colo.	\$236	45%
Conn.	No change	
Del.	No change	
D.C.	No change	
Fla.	\$312	200%
Ga.	\$213	48%
Hawaii	\$1,070	1089%
Idaho	\$816	134%
Ill.	\$323	7%
Ind.	\$385	79%
Iowa	\$468	23%
Kan.	\$350	116%
Ky.	No change	
La.	\$111	14%
Maine	\$328	74%
Md.	\$422	159%
Mass.	Varies Widely	Varies Widely
Mich.	\$21 surcharge per employee	
Minn.	\$450	14%
Miss.	No change	
Mo.	No change	
Mont.	\$482	72%
Neb.	\$300	165%
Nev.	No change	
N.H.	\$332	71%
N.J.	\$896	57%
N.M.	No change	
N.Y.	\$349	9%
N.C.	No change	
N.D.	\$333	36%
Ohio	\$270	2%
Okla.	No change	
Ore.	\$646	49%

Pa.	\$432	13%
R.I.	\$675	7%
S.C.	No change	
S.D.	\$227	191%
Tenn.	\$293	49%
Texas	\$165	85%
Utah	No change	
Vt.	\$329	38%
Va.	\$171	78%
Wash.	No change	
W.Va.	\$348	61%
Wis.	\$384	23%
Wyo.	\$581	69%

Sources: U.S. Labor Department and state workforce agencies